

Metropolitan

Water Company, L.P.

EXPLORATION AND PRODUCTION OF GROUNDWATER RESOURCES



EXHIBIT

A

FEE AGREEMENT

This Fee Agreement ("**Agreement**") is made effective as of the 23rd day of October, 2017, by and between Metropolitan Water Company, L.P., a Texas Limited Partnership, ("**Met Water**") and Howry, Breen & Herman, LLP, a Texas Limited Liability Partnership ("**Firm**"), and is, as follows:

Recitals

Firm acts as legal counsel to Met Water and its affiliates in connection with various legal matters (the "**legal services**").

Met Water is involved in the regional water supply project to supply water to the City of San Antonio acting by and through San Antonio Water System Board of Trustees ("**SAWS**"), and a party to that certain Post-Closing Agreement dated effective May 16, 2016, ("**Post-Closing Agreement**") by and among Met Water, Blue Water Vista Ridge, LLC ("**BWVR**") and affiliates of each of Met Water and BWVR.

Certain capitalized terms used and not defined in this Agreement have the same meanings as given in the Post-Closing Agreement.

In consideration of the legal services performed and to be performed by the Firm, Met Water hereby grants to the Firm and its partners, Randy Howry and Sean Breen (collectively, the "**Partners**") an assignment of certain rights to payments accrued and to accrue under the Post-Closing Agreement and as described below:

Agreement

1. **Ten Percent of Escrow Amount.** The amount of \$3,000,000 ("**Escrow Amount**") otherwise due to Met Water under the Post-Closing Agreement on Financial Close is held for the benefit of Met Water by the Garney Parties acting through one or more of its lenders. Met Water hereby grants to Firm the right to receive ten percent (10%) of all amounts advanced to Met Water from the Escrow Amount, payable if, as and when received by Met Water.

2. **Water Sales under WTPA.** Under the WTPA, SAWS will purchase water produced from the Project and the VR Leases. Out of the Net Project Payments due to Met Water in the Post-Closing Agreement, Met Water agrees to pay to the Partners an amount equal to \$0.02 per 1,000 gallons of water (\$6.50 per acre of

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PENGAD-Bayonne, N. J.

70



water) produced and sold under the WTPA to SAWS (the "**Water Payment**"), from the Vista Ridge Leases, being all those certain Groundwater Leases (and any renewals thereof) which are described in that certain Lease Assignment dated effective October 14, 2014, and executed by Met Water. The Water Payment is payable 50% to each Partner and is due and payable within thirty (30) days after Met Water received the payment for such water sales under the WTPA.

3. **Assignment Only.** The fees under this Agreement, as described in 1 and 2 above, constitute assignments of payment rights only and shall not be construed or applied to give the Firm or Partners any rights, duties or obligations under the Post-Closing Agreement or any of the other Transaction Documents.

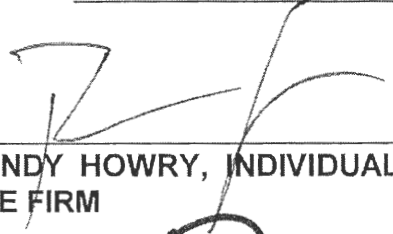
Executed to be effective as of the date first above written.

**METROPOLITAN WATER COMPANY, L.P.
BY: METROPOLITAN WATER COMPANY OF
TEXAS, L.L.C., its General Partner**

BY: 

PRINTED NAME: W. SCOTT CARLSON

TITLE: PRESIDENT


RANDY HOWRY, INDIVIDUALLY AND FOR
THE FIRM


SEAN BREEN, INDIVIDUALLY AND FOR THE
FIRM





Metropolitan

Water Company, L.P.

EXPLORATION AND PRODUCTION OF GROUNDWATER RESOURCES

EXHIBIT

B

FEE AGREEMENT

This Fee Agreement ("Agreement") is executed this 8th day of April 2021, but made effective October 24, 2017, by and between **Metropolitan Water Company, L.P.**, a Texas Limited Partnership, ("Met Water") and **Howry, Breen & Herman, L.L.P.**, a Texas Limited Liability Partnership, ("Firm"), and its Partners individually, **Randy Howry** and **Sean Breen**, ("Partners"), and is, as follows:

Recitals

Firm has acted as legal counsel to Met Water and its affiliates in connection with various legal matters (the "legal services"). This Agreement is entered into to cover and resolve outstanding sums owed by Met Water to the Firm for the period commencing on October 24, 2017 and ending on December 31, 2020 (the "fee period"). This Agreement is a new and separate agreement from the Agreement between the parties dated October 23, 2017 (the "October 2017 Agreement"). The October 2017 Agreement is a valid, separate and binding agreement requiring separate payments. The payments provided for in the October 2017 Agreement are due and payable within thirty (30) days after Met Water has received its 50% share of the Net Project Payment, being \$185.00 per acre foot for the 50,000 acre feet of water produced and sold on an annual basis from April 15th of one year to April 15th of the next year. The legal services provided by the Firm and made the basis of the October 2017 Agreement have satisfactorily performed and concluded.

This Agreement is a distinct and separate agreement covering different and additional legal services and representation delivered to Met Water for the fee period for different legal services and additional consideration. This Agreement is for services, fees and expenses up to December 31, 2020.

Met Water is involved in the regional water supply project to supply water to the City of San Antonio, acting by and through San Antonio Water System Board of Trustees ("SAWS") and is a party to that certain Post-Closing Agreement dated May 11, 2016, ("Post Closing Agreement"), by and between Met Water, Blue Water Vista Ridge, LLC ("BWVR") and affiliates of each of Met Water and BWVR.

Certain capitalized terms used and not defined in this Agreement have the same meanings as given in the Post-Closing Agreement.

Agreement

1. In consideration of the legal services performed by the Firm, on behalf of Met Water during the fee period, Met Water agrees to pay the Firm the sum of \$333,150.66,

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PENGAD-Bayonne, N. J.

65



(which covers all unpaid legal fees and expenses incurred by the Firm during the fee period); such unpaid fees will be paid within thirty (30) days after Met Water has received its 50% share of the Net Project Payment, being \$185.00 per acre foot for the 50,000 acre feet of water produced and sold from April 15, 2020 through April 15, 2021.

2. **Water Sales under WTPA.** Under the WTPA, SAWS will purchase water produced from the Project and the Vista Ridge Leases. Out of the Net Project Payment due to Met Water, as provided for in the Post-Closing Agreement, Met Water agrees to pay each year to the Partners for ten (10) years (from 2022 up to and including the year 2031) an amount equal to \$5.00 per acre foot of water produced and sold each year under the WTPA to SAWS {\$5.00 x 50,000 acre feet produced and sold = \$250,000} (the "Water Payment"), from the Vista Ridge Leases, being those Groundwater Leases being assigned by Met Water to the Project. The Water Payment is payable 50% to each Partner and is due and payable within thirty (30) days after Met Water has received its 50% share of the Net Project Payment, being \$185.00 per acre foot for the 50,000 acre feet of water produced and sold, on an annual basis, from April 15th of one year to April 15th of the next year. The payment provided for herein shall inure to the benefit of and be binding on the successors and assigns of the Parties, if any.
3. **Assignability.** The parties to this Agreement reserve the right to assign their rights hereunder, in whole or in part.

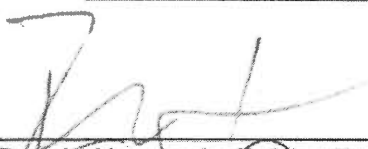
Executed to be effective as of the date provided above.

Metropolitan Water Company, L.P.
By: Metropolitan Water Company of Texas,
L.L.C., its General Partner

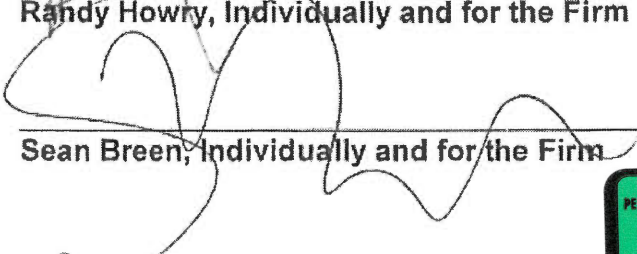
By: 

Printed Name: W. Scott Carlson

Title: President

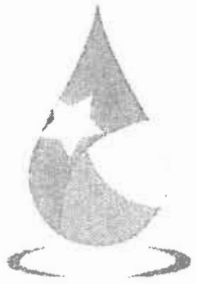


Randy Howry, Individually and for the Firm



Sean Breen, Individually and for the Firm





Metropolitan
Water Company of Texas, L.L.C.

FOUNDED 1904 • PROVIDING WATER SERVICES WITH INTEGRITY

EXHIBIT

C

FEE AGREEMENT

This Fee Agreement ("Agreement") is executed this 6th day of March 2022 by and between **Metropolitan Water Company of Texas, L.L.C.**, a Texas Limited Liability Company, ("Met Water Texas") and **Howry, Breen & Herman, L.L.P.**, a Texas Limited Liability Partnership, ("Firm"), and its Partners individually, **Randy Howry** and **Sean Breen**, ("Partners"), and is, as follows:

Recitals

Firm has acted, and continues to act, as legal counsel to Metropolitan Water Company, L.P., a Texas limited partnership, ("Met Water") in which Met Water Texas serves as the general partner, and its affiliates in connection with various legal matters (the "legal services").

Met Water is involved in the regional water supply project to supply water to the City of San Antonio, acting by and through San Antonio Water System Board of Trustees ("SAWS") and is a party to that certain Post-Closing Agreement dated May 11, 2016, ("Post Closing Agreement"), by and between Met Water, Blue Water Vista Ridge, LLC ("BWVR") and affiliates of each of Met Water and BWVR. Certain capitalized terms used and not defined in this Agreement have the same meanings as given in the Post-Closing Agreement.

On November 22, 2021, Met Water filed a voluntary petition on bankruptcy in the United States Bankruptcy Court of the Western District of Texas under Chapter 11 of the Bankruptcy Code (the "Proceeding").

Met Water, the Firm and the Partners entered into prior to fee agreements dated October 23, 2017, and April 8, 2021 (the "Prior Agreements") in connection with legal services rendered and expenses incurred in the Firm's representation of Met Water for periods up to December 31, 2020.

The Firm is also a creditor of Met Water in the Proceeding with a claim for legal fees and expenses in the amount stated in the Proceeding, and for additional legal fees and expenses incurred and to be incurred in the course of the Proceeding (the "legal fees").

Agreements

1. **Aggregation of Agreements.** In recognition of the Prior Agreements and the desire to continue the Firm's representation of Met Water both in the Proceeding and thereafter, Met Water Texas has agreed to (a) affirm and assume the

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obligations of Met Water under the Prior Agreements; and (b) enter into the additional fee payment obligations provided for in this Agreement. It is intended that this Agreement aggregate all of the unpaid obligations under the Prior Agreements and add the additional payment obligations which have been agreed to by the parties for representation from and after the Proceeding. To the extent payments are made under this Agreement, each payment has the same effect as if paid under the Prior Agreements.

2. **Payment Obligations.** The payment obligations ("Payment Obligations") are, as follows:

- a. The payments provided for in the October 23, 2017 Agreement are due and payable within thirty (30) days after Met Water has received its 50% share of the Net Project Payment, being \$185 per acre foot for the 50,000 acre feet of water produced and sold on an annual basis from April 15th of one year to April 15th of the next year.
- b. **Water Sales under WTPA.** Under the WTPA, SAWS will purchase water produced from the Project and the Vista Ridge Leases. Out of the Net Project Payment due to Met Water, as provided for in the Post-Closing Agreement, Met Water agrees to pay each year to the Partners for ten (10) years (from 2023 up to and including the year 2032) an amount equal to \$5.00 per acre foot of water produced and sold each year under the WTPA to SAWS {\$5.00 x 50,000 acre feet produced and sold = \$250,000} (the "Water Payment"), from the Vista Ridge Leases, being those Groundwater Leases being assigned by Met Water to the Project. The Water Payment is payable 50% to each Partner and is due and payable within thirty (30) days after Met Water has received its 50% share of the Net Project Payment, being \$185.00 per acre foot for the 50,000 acre feet of water produced and sold, on an annual basis, from April 15th of one year to April 15th of the next year. The payment provided for herein shall inure to the benefit of and be binding on the successors and assigns of the Parties, if any.
- c. **Water Sales under WTPA.** Under the WTPA, SAWS will purchase water produced from the Project and the Vista Ridge Leases. Out of the Net Project Payment due to Met Water, as provided for in the Post-Closing Agreement, Met Water agrees to pay each year to the Partners for twenty (20) years (from 2033 up to and including the year 2052) an amount equal to \$5.00 per acre foot of water produced and sold each year under the WTPA to SAWS {\$5.00 x 50,000 acre feet produced and sold = \$250,000} (the "Water Payment"), from the Vista Ridge Leases, being those Groundwater Leases being assigned by Met Water to the Project. The Water Payment is payable 50% to each Partner and is due and payable within thirty (30) days after Met Water has received its 50% share of the Net Project Payment, being



\$185.00 per acre foot for the 50,000 acre feet of water produced and sold, on an annual basis, from April 15th of one year to April 15th of the next year. The payment provided for herein shall inure to the benefit of and be binding on the successors and assigns of the Parties, if any.

- d. To the Firm, legal fees to the extent not paid in the Proceeding, and any additional legal fees that may be incurred during the course of the Proceeding by reason of the Firm's representation of Met Water.

Met Water Texas acknowledges and agrees to the Payment Obligations, and agrees to make prompt payment in accordance with the terms of this Agreement. Met Water Texas agrees to the Payment Obligations whether it is the direct recipient of the Net Project Payments, so long as Met Water Texas receives the amount of the Net Project Payment, as specified hereinabove.

3. **Assignment.** The obligations of Met Water Texas may be assigned and assumed by Met Water once Met Water is no longer subject to the Proceeding without the prior written consent of the Firm or the Partners. Any other assignment by Met Water Texas requires the prior written consent of the Firm and the Partners. The Partners may assign rights under this Agreement without the prior written consent of Met Water Texas.

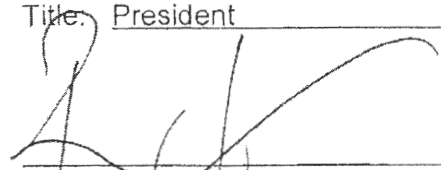
Executed to be effective as of the date provided above.

Metropolitan Water Company of Texas, L.L.C.

By: 

Printed Name: W. Scott Carlson

Title: President


Randy Howry, Individually and for the Firm


Sean Breen, Individually and for the Firm

metwatertexas.fee agreement





1900 Pearl Street
Austin, TX 78705
Phone: 5124394126
www.howrybreen.com

INVOICE

Invoice # 41237
Date: 03/16/2021
Due On: 04/15/2021

EXHIBIT

D

Metropolitan Water Company of Texas LLC
Post Office Drawer 1146
Brenham, TX 77834-1146

00779-0024

Met Water General

Client Reference Number:

Services

Attorney	Date	Notes	Quantity	Rate	Total
JCH	01/08/2021	Confer with client regarding basis for assertion that Met Water Vista Ridge owns well sites.	0.30	\$325.00	\$97.50
RH	01/20/2021	Conference with S. Carlson; review pleadings.	2.50	\$400.00	\$1,000.00
JCH	01/21/2021	Confer with R. Howry regarding analysis of groundwater well issues, and compose background info to pass on to consulting attorney (0.9); confer with C. Martin regarding case background and provide info for conflicts check (0.7).	1.60	\$325.00	\$520.00
JCH	01/22/2021	Compose and send more background info on groundwater wells to C. Martin.	0.80	\$325.00	\$260.00
RH	01/25/2021	Conference with S. Carlson and B. Pollard.	2.50	\$400.00	\$1,000.00
JCH	01/25/2021	Prepare for and meet with S. Carlson to discuss groundwater well issue and other matters (2.9); confer with C. Martin regarding analysis for groundwater well issue (0.5); and compile and send documents to C. Martin to assist in review (0.7).	4.10	\$325.00	\$1,332.50
RH	01/26/2021	Issues related to water agreement.	2.50	\$400.00	\$1,000.00
JCH	01/26/2021	Compile and provide additional documents to C. Martin for groundwater well analysis.	0.40	\$325.00	\$130.00
RH	01/27/2021	Discovery review and document production.	1.50	\$400.00	\$600.00
RH	01/30/2021	Various discussion and documents related to formation of water entities.	2.50	\$400.00	\$1,000.00
JCH	02/02/2021	Confer with C. Martin regarding status of analysis for wells and lease issues for Met Water Vista Ridge.	0.40	\$325.00	\$130.00
JCH	02/04/2021	Analyze venue statutes and Texas case law regarding mandatory venue for real property claims (15.011), and confer with R. Howry regarding same.	1.70	\$325.00	\$552.50
RH	02/08/2021	Meeting to discuss case strategy	1.50	\$400.00	\$600.00

JCH	02/08/2021	Prepare for and meet with S. Carlson regarding groundwater well issues and other outstanding litigation matters.	1.70	\$325.00	\$552.50
RH	02/10/2021	Review Carroll Martin memo; conference with J. Hatchitt; conference with client.	3.00	\$400.00	\$1,200.00
JCH	02/10/2021	Receive and review memo from C. Martin regarding groundwater well issue, send to client, and confer with R. Howry regarding same (0.8); contact D. Alexander to discuss potential venue issues for filing suit on groundwater well claims (0.2).	1.00	\$325.00	\$325.00
RH	02/11/2021	Prepare and research for meeting with S. Carlson.	3.50	\$400.00	\$1,400.00
JCH	02/11/2021	Analyze Texas law regarding potential venues for claims concerning the groundwater wells, compose case background, and send preliminary findings to D. Alexander for review and comment.	4.60	\$325.00	\$1,495.00
RH	02/12/2021	Review and discuss strategy to TTT suit.	3.50	\$400.00	\$1,400.00
RH	02/15/2021	Litigation issues	4.00	\$400.00	\$1,600.00
RH	02/24/2021	Research venue issues regarding lease lawsuit	1.50	\$400.00	\$600.00
RH	02/25/2021	Conference with Carlson and Pollard.	2.00	\$400.00	\$800.00
JCH	02/25/2021	Review lease assignments forwarded by B. Pollard, [REDACTED]	0.60	\$325.00	\$195.00
JCH	02/26/2021	Confer with S. Carlson and B. Pollard regarding assignments of groundwater leases.	0.50	\$325.00	\$162.50

Quantity Subtotal 48.2

Services Subtotal \$17,952.50

Expenses

Date	Notes	Quantity	Rate	Total
01/31/2021	59 Photo	1.00	\$8.85	\$8.85
Expenses Subtotal				\$8.85

Time Keeper	Quantity	Rate	Total
James Hatchitt	17.7	\$325.00	\$5,752.50
Randy Howry	30.5	\$400.00	\$12,200.00
Quantity Total			48.2
Subtotal			\$17,961.35
Total			\$17,961.35

Statement of Account

Outstanding Balance		New Charges		Total Balance
\$95,476.09	+	\$17,961.35	=	\$113,437.44

Detailed Statement of Account

Other Invoices

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
40898	08/12/2020	\$10,879.40	\$0.00	\$10,879.40
40993	10/11/2020	\$14,687.50	\$0.00	\$14,687.50
41020	11/26/2020	\$660.00	\$0.00	\$660.00
41068	12/23/2020	\$2,965.00	\$0.00	\$2,965.00
41134	01/29/2021	\$3,886.66	\$0.00	\$3,886.66
41453	08/26/2021	\$60,597.43	\$0.00	\$60,597.43
41509	09/23/2021	\$1,755.90	\$0.00	\$1,755.90
41730	01/26/2022	\$44.20	\$0.00	\$44.20

Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
41237	04/15/2021	\$17,961.35	\$0.00	\$17,961.35
Outstanding Balance				\$113,437.44
Amount in Trust				\$0.00
Total Amount Outstanding				\$113,437.44

Please make all amounts payable to: Howry Breen & Herman LLP

Tax ID #74-2729195

Please include the invoice number as an additional reference so we may accurately identify and apply your payment.

Please pay within 30 days.

From: [Lynn Mitchell](#)
To: rhowry@howrybreen.com; [Davis Watson](#); [Alan Waldrop](#); upchurch@upchurchyates.com
Subject: No. 37412; Blue Water Systems, LP and Blue Water Vista Ridge, LLC v. Metropolitan Water Company, LP; 21st District Court; Washington County
Date: Tuesday, March 9, 2021 3:28:25 PM

Dear Counsel,

Judge Campbell has canceled his April 5th Jury Trial Week, so this case needs to be reset. Your pre-trial is March 11th.

Can we reset it for trial on August 16th with a pre-trial on 8/5, or for trial on October 18th, with a pre-trial on 10/14?

Lynn Mitchell

Court Coordinator

21st/335th Judicial District Courts

100 East Main St., Suite 305

Brenham, TX 77833

979-277-6200, ext. 5345